

1 Debtors and Debtors-in-Possession B. & J. Property Investments, Inc. and
2 William J. Berman move this Court for entry of an order approving the employment of
3 Janet M. Schroer (“Ms. Schroer”) as special purpose counsel for Debtors. Debtors make this
4 application pursuant to 11 U.S.C. §§ 327(e) and 328(a), and Federal Rule of Bankruptcy
5 Procedure 2014. In support of this application, Debtors state as follows:

6 1. On January 17, 2019 (the "Petition Date"), Debtor B. & J. Property
7 Investments, Inc. (“B & J”) filed a voluntary petition for relief under Chapter 11 of Title 11
8 of the United States Code.

9 2. On January 28, 2019, William John Berman (“Mr. Berman”) filed a
10 voluntary petition for relief under Chapter 11 of the United States Bankruptcy Code.

11 3. On June 28, 2019, the Court entered an Order Directing Joint
12 Administration of Chapter 11 Cases [ECF NO. 176] procedurally consolidating and jointly
13 administering the cases of B&J and Mr. Berman.

14 4. Debtors have continued in possession of their property and are
15 continuing to operate and manage their businesses as debtors-in-possession pursuant to
16 Sections 1107(a) and 1108 of Title 11 of the United States Code.

17 5. No request has been made for the appointment of a trustee or
18 examiner, and no official committee of unsecured creditors has been appointed in Debtors'
19 cases at this time.

20 6. The Court has jurisdiction over this matter pursuant to 28 U.S.C.
21 §§ 157 and 1334. Venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409.
22 This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).

23 7. As more fully described in paragraphs 14 through 20 of Debtor B&J's
24 Motion to Reject Commercial Lease and Authorize Use and Operation of Property as RV
25 Park and Self-Storage Facility [ECF No. 7] and paragraphs 8 and 19 of Debtor B&J's
26 Application for Order to Employ Saalfeld Griggs PC as Special Purpose Counsel for Debtor

1 [ECF No. 125], Debtors are presently involved in the appeal of the judgement entered in the
2 litigation entitled *Loren Hathaway, et al. v. B & J Property Investments, Inc., et al.*, Case No.
3 13C14321 in the Circuit Court of the State of Oregon for the County of Marion and there is
4 expected to be a further appeal of a supplemental judgment awarding attorney fees (the
5 “Appeal”).

6 8. Debtors desire Court approval to retain and employ Ms. Schroer as
7 special purpose counsel in this Chapter 11 case, pursuant to Sections 327(e) and 328(a) of the
8 Code, to represent the Debtors in the Appeal and provide legal analysis, evaluation, and
9 advice relating thereto.

10 9. Debtors have entered into an arrangement with the Oregon State Bar
11 Professional Liability Fund (“PLF”) whereby the PLF has agreed to pay the fees and
12 expenses of Ms. Schroer associated with the representation of the Debtors in the Appeal.

13 10. Debtors request that it be authorized to employ Ms. Schroer with the
14 fees and expenses of Ms. Schoer to be paid by the PLF, without further notice or order of the
15 Court, and that Ms. Schroer not be required to file any fee application with the Court.

16 11. Debtors are not responsible for and will not be making any payments
17 to Ms. Schroer. All payments will be made directly by the PLF.

18 12. To the best of Debtors’ knowledge, the partners and associates of Ms.
19 Schroer do not have any connection with Debtor, its creditors, any other party-in-interest, or
20 their respective attorneys or accountants, except as stated in the Rule 2014 Verified
21 Statement of Proposed Professional.

22 13. A proposed Order Authorizing Employment of Janet M. Schroer as
23 Attorneys for Debtors is attached as **Exhibit 1**.

24 For the reasons stated in this Application, Debtors request that the Court enter
25 an order authorizing them to employ Ms. Schroer to represent Debtors as special purpose
26 counsel for Debtors to represent them in the Appeal as of the date of this application (but not

1 to represent Debtors in conducting this bankruptcy case), with compensation and
2 reimbursement of expenses to be paid by the PLF without further notice and hearing, and that
3 Ms. Schroer not be required to file any fee applications.

4 DATED this 2nd of August, 2019.

5 TONKON TORP LLP
6

7 By /s/ Timothy J. Conway
8 Timothy J. Conway, OSB No. 851752
9 Ava L. Schoen, OSB No. 044072
Attorneys for Debtor B. & J. Property
Investments, Inc.

10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

**Page 4 of 4 - DEBTORS' APPLICATION FOR ORDER TO EMPLOY JANET M. SCHROER AS
SPECIAL PURPOSE COUNSEL FOR DEBTORS**

Tonkon Torp LLP
888 SW Fifth Ave., Suite 1600
Portland, OR 97204

Case 19-60138-pcm11 Doc 198 Filed 08/02/19

EXHIBIT 1

PROPOSED FORM OF ORDER

UNITED STATES BANKRUPTCY COURT
DISTRICT OF OREGON

In re
B. & J. Property Investments, Inc., and
William J. Berman,
Debtors.

Bankruptcy Case Nos.:
19-60138-pcm11 (Lead Case)
19-60230-pcm11
Jointly Administered Under
Case No. 19-60138-pcm11

**ORDER GRANTING DEBTORS'
APPLICATION FOR ORDER TO
EMPLOY JANET M. SCHROER AS
SPECIAL PURPOSE COUNSEL FOR
DEBTORS**

THIS MATTER having come before the Court upon Debtors' Application for Order to Employ Janet M. Schroer as Special Purpose Counsel for Debtors [ECF No. ____] (the "Application"), and the Court being duly advised in the premises and finding good cause; now, therefore;

IT IS HEREBY ORDERED that:

1. The Application is granted.
2. Debtors are hereby authorized to retain and employ Janet M. Schroer as special purpose counsel for Debtors to represent them in the appeals of any judgments or

**Page 1 of 2 - ORDER GRANTING DEBTORS' APPLICATION FOR ORDER TO
EMPLOY JANET M. SCHROER AS SPECIAL PURPOSE COUNSEL FOR
DEBTORS**

Tonkon Torp LLP
888 SW Fifth Ave., Suite 1600
Portland, OR 97204
503.221.1440

orders entered in *Loren Hathaway, et al. v. B & J Property Investments, Inc., et al.*, Case No. 13C14321 in the Circuit Court of the State of Oregon for the County of Marion, and to perform all of the services set forth in the Application on the terms set forth in the Application.

3. It is further ordered that the Oregon State Bar Professional Liability Fund is authorized to pay Janet M. Schroer compensation pursuant to the Oregon State Bar Professional Liability Fund's terms without further notice or order of this Court.

4. It is further ordered that Janet M. Schroer is not required to file any fee applications with this Court or seek Court approval for the work paid for by the Oregon State Bar Professional Liability Fund.

#

I certify that I have complied with the requirements of LBR 9021-1(a).

Presented by:

TONKON TORP LLP

By _____

Timothy J. Conway, OSB No. 851752
Ava L. Schoen, OSB No. 044072
888 S.W. Fifth Avenue, Suite 1600
Portland, OR 97204-2099
Telephone: 503-221-1440
Facsimile: 503-274-8779
E-mail: tim.conway@tonkon.com
ava.schoen@tonkon.com
Attorneys for Debtor B. & J. Property Investments, Inc.

cc: List of Interested Parties

Page 2 of 2 - ORDER GRANTING DEBTORS' APPLICATION FOR ORDER TO EMPLOY JANET M. SCHROER AS SPECIAL PURPOSE COUNSEL FOR DEBTORS

Tonkon Torp LLP
888 SW Fifth Ave., Suite 1600
Portland, OR 97204
503.221.1440

Case 19-60138-pcm11 Doc 198 Filed 08/02/19

CERTIFICATE OF SERVICE

I hereby certify that I served the foregoing **DEBTORS' APPLICATION FOR ORDER TO EMPLOY JANET M. SCHROER AS SPECIAL PURPOSE COUNSEL FOR DEBTORS** on the parties indicated as "ECF" on the attached List of Interested Parties by electronic means through the Court's Case Management/Electronic Case File system on the date set forth below.

In addition, I served the foregoing on the parties indicated as "Non-ECF" on the attached List of Interested Parties by mailing copies thereof in sealed, first-class postage prepaid envelopes, addressed to the parties' last-known address and depositing in the U.S. mail at Portland, Oregon on the date set forth below.

DATED this 2nd day of August, 2019.

TONKON TORP LLP

By /s/ Timothy J. Conway
Timothy J. Conway, OSB No. 851752
Ava L. Schoen, OSB No. 044072
Attorneys for Debtor B. & J. Property
Investments, Inc.

038533/00002/10167788v2

CONSOLIDATED LIST OF INTERESTED PARTIES

In re B. & J. Property Investments, Inc.

U.S. Bankruptcy Court Case No. 19-60138-pcm11

In re William J. Berman

U.S. Bankruptcy Court Case No. 19-60230-pcm11

ECF PARTICIPANTS

- TIMOTHY J CONWAY tim.conway@tonkon.com, candace.duncan@tonkon.com, spencer.fisher@tonkon.com
- NICHOLAS J HENDERSON nhenderson@portlaw.com, tsexton@portlaw.com; mperry@portlaw.com; hendersonnr86571@notify.bestcase.com
- KEITH D KARNES kkarnes@keithkarnes.com, kkarnesnotices@gmail.com; patricia@keithkarnes.com; 9982680420@filings.docketbird.com;r51870@notify.bestcase.com
- SHANNON R MARTINEZ smartinez@sglaw.com, scurtis@sglaw.com
- ERICH M PAETSCH epaetsch@sglaw.com, ktate@sglaw.com
- TERESA H PEARSON teresa.pearson@millernash.com, MNGD-2823@millernash.com
- AVA L SCHOEN ava.schoen@tonkon.com, leslie.hurd@tonkon.com
- TROY SEXTON tsexton@portlaw.com, nhenderson@portlaw.com, mperry@portlaw.com, troy-sexton-4772@ecf.pacerpro.com
- TOBIAS TINGLEAF toby@shermlaw.com, darlene@shermlaw.com
- US TRUSTEE, Eugene USTPRegion18.EG. ECF@usdoj.gov

NON-ECF PARTICIPANTS

B. & J. TOP 20 UNSECURED CREDITORS

Class Action Plaintiffs
c/o Brady Mertz
Brady Mertz PC
345 Lincoln St.
Salem, OR 97302

Portland General Electric
POB 4438
Portland, OR 97208

Judson's Plumbing
POB12669
Salem, OR 97330

City of Salem
555 Liberty St. SE, Room 230
Salem, OR 97301

Comcast Business
POB 34744
Seattle, WA 98124-1744

Pacific Source
POB 7068
Springfield, OR 97475-0068

Pacific Sanitation
POB 17669
Salem, OR 97305

US Bank
POB 6352
Fargo, ND 58125-6352

Miller Paint
390 Lancaster Dr. NE
Salem, OR 97301

HotSuff Spas & Pool
1840 Lancaster Dr. NE
Salem, OR 97305

NW Natural Gas
POB 6017
Portland, OR 97228-6017

Chateau Locks
1820 47th Terrace East
Bradenton, FL 34203-3773

Century Link
Bankruptcy Dept.
600 New Century Parkway
New Century, KS 66031

Walter Nelson Company
1270 Commercial St. NE
Salem, OR 97301

Statesman Journal
340 Vista Ave. SE
Salem, OR 97302

Pacific Screening
POB 25582
Portland, OR 97298

DEX Media
Dex Media Attn: Client Care
1615 Bluff City Highway
Bristol, TN 37620

AllAmerican Insurance
POB 758554
Topeka, KS 66675-8554

US Bank
POB 6352
Fargo, ND 58125

Susan Stoehr
24310 S Hwy 99E, Space G
Canby, OR 97013

Stephen Joye
Fischer, Hayes, et al.
3295 Triangle Dr SE #200
Salem, OR 97302

Nancy Wolf
2008 SE Sturdevant Rd
Toledo, OR 97391

BERMAN SECURED CREDITOR

Quicken Loans Inc.
635 Woodward Ave.
Detroit, MI 48226

BERMAN TOP 20 UNSECURED CREDITORS

Class Action Plaintiffs
c/o Brady Mertz
Brady Mertz PC
345 Lincoln St.
Salem, OR 97302

Saalfeld Griggs PC
Attn: Hunter Emerick
Park Place, Suite 200
250 Church St. SE
Salem, OR 97301

Heather Noble
4490 Silverton Rd NE #4
Salem, OR 97305-2060

APPLICANT

Janet R. Schoer
1000 SW Broadway, Suite 2000
Portland, OR 97205

UNITED STATES BANKRUPTCY COURT
DISTRICT OF OREGON

In re)
B. & J. Property Investments, Inc. and) Case No. **19-60138-pcm11 (Lead Case)**
William J. Berman)
Debtor(s)) RULE 2014 VERIFIED STATEMENT
) FOR PROPOSED PROFESSIONAL
) **(JANET M. SCHROER)**

Note: To file an amended version of this statement per ¶19, file a fully completed amended Rule 2014 statement on LBF #1114 and clearly identify any changes from the previous filed version.

1. The applicant is not a creditor of the debtor except:
Applicant is not a creditor of debtors. Applicants fees and expenses will be paid by the Oregon State Bar Professional Liability Fund.
2. The applicant is not an equity security holder of the debtor.
3. The applicant is not a relative of the individual debtor.
4. The applicant is not a relative of a general partner of the debtor (whether the debtor is an individual, corporation, or partnership).
5. The applicant is not a partnership in which the debtor (as an individual, corporation, or partnership) is a general partner.
6. The applicant is not a general partner of the debtor (whether debtor is an individual, corporation, or partnership).
7. The applicant is not a corporation of which the debtor is a director, officer, or person in control.
8. The applicant is not and was not, within two years before the date of the filing of the petition, a director, officer, or employee of the debtor.
9. The applicant is not a person in control of the debtor.
10. The applicant is not a relative of a director, officer or person in control of the debtor.
11. The applicant is not the managing agent of the debtor.
12. The applicant is not and was not an investment banker for any outstanding security of the debtor; has not been, within three years before the date of the filing of the petition, an investment banker for a security of the debtor, or an attorney for such an investment banker in connection with the offer, sale, or issuance of a security of the debtor; and is not and was not, within two years before the date of the filing of the petition, a director, officer, or employee of such an investment banker.
13. The applicant has read 11 U.S.C. §101(14) and §327, and FRBP 2014(a); and the applicant's firm has no connections with the debtor(s), creditors, any party in interest, their respective attorneys and accountants, the United States Trustee, or any person employed in the office of the United States Trustee, or any District of Oregon Bankruptcy Judge, except as follows:

No exceptions.

14. The applicant has no interest materially adverse to the interest of the estate or of any class of creditors or equity security holders.
15. Describe details of all payments made to you by either the debtor or a third party for any services rendered on the debtor's behalf within a year prior to filing of this case:

None.

16. The debtor has the following affiliates (as defined by 11 U.S.C. §101(2)). Please list and explain the relationship between the debtor and the affiliate:

Please refer to the Rule 2014 Verified Statement for Proposed Professional of Tonkon Torp LLP (attorneys for Debtor B. & J. Property Investments, Inc.) and the Rule 2014 Verified Statement for Proposed Professional of Mostchenbacher & Blattner, LLP (attorneys for Debtor William J. Berman), and any amendments or supplements thereto, for the most current information available as to Debtors and this question.

17. The applicant is not an affiliate of the debtor.
18. Assuming any affiliate of the debtor is the debtor for purposes of statements 4-13, the statements continue to be true except (list all circumstances under which proposed counsel or counsel's law firm has represented any affiliate during the past 18 months; any position other than legal counsel which proposed counsel holds in either the affiliate, including corporate officer, director, or employee; and any amount owed by the affiliate to proposed counsel or its law firm at the time of filing, and amounts paid within 18 months before filing):

Please refer to the Rule 2014 Verified Statement for Proposed Professional of Tonkon Torp LLP (attorneys for Debtor B. & J. Property Investments, Inc.) and the Rule 2014 Verified Statement for Proposed Professional of Mostchenbacher & Blattner, LLP (attorneys for Debtor William J. Berman), and any amendments or supplements thereto, for the most current information available as to Debtors and this question.

19. The applicant hereby acknowledges that he/she has a duty during the progress of the case to keep the court informed of any change in the statement of facts which appear in this verified statement. In the event that any such changes occur, the applicant immediately shall file with the court an amended verified statement on LBF #1114, with the caption reflecting that it is an amended Rule 2014 statement and any changes clearly identified.

THE FOLLOWING QUESTIONS NEED BE ANSWERED ONLY IF AFFILIATES HAVE BEEN LISTED IN STATEMENT 16.

20. List the name of any affiliate which has ever filed bankruptcy, the filing date, and court where filed:

Please refer to the Rule 2014 Verified Statement for Proposed Professional of Tonkon Torp LLP (attorneys for Debtor B. & J. Property Investments, Inc.) and the Rule 2014 Verified Statement for Proposed Professional of Mostchenbacher & Blattner, LLP (attorneys for Debtor William J. Berman), and any amendments or supplements thereto, for the most current information available as to Debtors and this question.

21. List the names of any affiliates which have guaranteed debt of the debtor or whose debt the debtor has guaranteed. Also include the amount of the guarantee, the date of the guarantee, and whether any security interest was given to secure the guarantee. Only name those guarantees now outstanding or outstanding within the last 18 months:

Please refer to the Rule 2014 Verified Statement for Proposed Professional of Tonkon Torp LLP (attorneys for Debtor B. & J. Property Investments, Inc.) and the Rule 2014 Verified Statement for Proposed Professional of Mostchenbacher & Blattner, LLP (attorneys for Debtor William J. Berman), and any amendments or supplements thereto, for the most current information available as to Debtors and this question.

22. List the names of any affiliates which have a debtor-creditor relationship with the debtor. Also include the amount and date of the loan, the amount of any repayments on the loan and the security, if any. Only name those loans now outstanding or paid off within the last 18 months:

Please refer to the Rule 2014 Verified Statement for Proposed Professional of Tonkon Torp LLP (attorneys for Debtor B. & J. Property Investments, Inc.) and the Rule 2014 Verified Statement for Proposed Professional of Mostchenbacher & Blattner, LLP (attorneys for Debtor William J. Berman), and any amendments or supplements thereto, for the most current information available as to Debtors and this question.

23. List any security interest in any property granted by the debtor to secure any debts of any affiliate not covered in statements 20 and 21. List any security interest in any property granted by the affiliate to secure any debts of the debtor not covered in statements 21 and 22. Also include the collateral, the date and nature of the security interest, the name of the creditor to whom it was granted, and the current balance of the underlying debt:

Please refer to the Rule 2014 Verified Statement for Proposed Professional of Tonkon Torp LLP (attorneys for Debtor B. & J. Property Investments, Inc.) and the Rule 2014 Verified Statement for Proposed Professional of Mostchenbacher & Blattner, LLP (attorneys for Debtor William J. Berman), and any amendments or supplements thereto, for the most current information available as to Debtors and this question.

24. List the name of any affiliate who is potentially a "responsible party" for unpaid taxes of the debtor under 26 U.S.C. §6672:

Please refer to the Rule 2014 Verified Statement for Proposed Professional of Tonkon Torp LLP (attorneys for Debtor B. & J. Property Investments, Inc.) and the Rule 2014 Verified Statement for Proposed Professional of Mostchenbacher & Blattner, LLP (attorneys for Debtor William J. Berman), and any amendments or supplements thereto, for the most current information available as to Debtors and this question.

I verify that the above statements are true to the extent of my present knowledge and belief.

/s/ Janet R. Schoer

Applicant

Janet R. Schoer

1000 SW Broadway, Suite 2000
Portland, OR 97205